

PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA
COMMISSION ADVISORY AND COMPLIANCE DIVISION RESOLUTION T-15146
Telecommunications Branch December 3, 1992

R E S O L U T I O N

RESOLUTION T-15146. CALIFORNIA RSA NO.3 LIMITED PARTNERSHIP. REQUEST FOR CELLULAR RADIOTELEPHONE SERVICE DOWNWARD PRICING FLEXIBILITY PURSUANT TO ORDERING PARAGRAPH NO. 8 OF DECISION 90-06-025, AS MODIFIED BY DECISION 90-10-047.

BY ADVICE LETTER 10, FILED ON OCTOBER 2, 1992.

SUMMARY

This Resolution authorizes California RSA No. 3 Limited Partnership (Calif RSA No.3) to exercise downward pricing flexibility for its cellular radiotelephone service per Decision 90-06-025, as modified by Decision 90-10-047. This authority allows Calif RSA No.3 to make temporary tariff filings for reductions of up to ten-percent (10%) of its average customer bill. No protests were received.

BACKGROUND

Decision (D.) 90-06-025, as modified by D.90-10-047, authorized cellular radiotelephone utilities (resellers and facility-based carriers) to make rate reduction tariff filings which will not affect an average customer's bill by more than (10%) effective on the date filed. According to Ordering Paragraph 8.b.(2) of the modified Decision:

"If a protest is filed, the tariff shall remain a temporary tariff until the protest has been resolved or by order of the Commission; if, within six months of the filing of the temporary tariff, no resolution takes place and the Commission does not act, the protest shall be deemed denied and the tariff shall be classified as a permanent tariff pursuant to the terms of the tariff provisions."

The Commission requires cellular utilities, prior to making use of such temporary tariff filings, to make annual filings to establish a range of its downward pricing flexibility. The initial filing shall be effective only upon Commission resolution; subsequent filings to renew this authority shall be 40-day effective date advice letters.

The Commission also requires that the advice letters requesting temporary tariff authority contain calculations sufficient to support the requested range of flexibility. Utilities can request price flexibility which results in less than the maximum 10% customer revenue impact, but must file a further advice letter if they wish later to expand the flexibility range.

On October 2, 1992, Calif. RSA No.3, a reseller of cellular service, filed Advice Letter No. 10 requesting the maximum pricing flexibility authorized by D.90-06-025. Calif. RSA No.3 submitted certain proprietary information to the Commission Advisory and Compliance Division (CACD), under seal of confidential treatment pursuant to General Order No. 66-C, to support its requested range of pricing flexibility.

NOTICE/PROTESTS

Public notice of Advice Letter No. 10 appeared in the Commission's October 7, 1992 Daily Calendar. In addition, copies of Calif. RSA No.3 Advice Letter No. 10 and its accompanying tariff sheets were mailed in accordance with the Commission's General Order No. 96-A, Section III. G, to all competing and adjacent utilities, and to all interested parties having requested such notification. No protests were received at the end of the protest period.

DISCUSSION

In Resolution T-14126, dated September 12, 1990, the first resolution granting temporary tariff filing authority, the Commission encouraged the sharing of supporting information submitted under seal of confidential treatment between parties through a mutually satisfactory nondisclosure agreement. To avoid any further conflict on this issue, we will summarize the methodology of calculation, period used to estimate requested average customer bill, and the range of the average monthly bill.

In determining its average customer bill, Calif RSA No.3 added its monthly access charges, airtime charges, and optional service charges for the period of January 1992 through August 1992. and divided the total by the sum of the monthly average number of customers for that same period of time. No surcharges, taxes, late charges, new activation charges or nonrecurring charges were included in the total. The average monthly retail subscriber bill was found to be in the range of \$50 - \$75.

CACD has reviewed the submitted information supporting the requested range of downward pricing flexibility and finds it to meet the requirements established in Resolution T-14126.

D.90-06-025 does not permit cellular resellers to use temporary tariffs to increase any rate element. We will reiterate that

constraint to Calif RSA No.3 in our approval of its request for temporary tariff authority.

FINDINGS

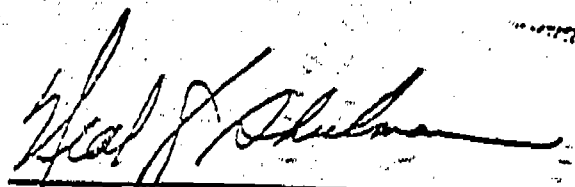
1. Calif RSA No.3 has submitted sufficient information and calculations in its Advice Letter No. 10 and associated proprietary submittal to CACD to support the requested range of downward pricing flexibility.
2. Temporary tariff filings may not be used to increase any rate element.
3. No protests to Advice Letter No. 10 were received.

THEREFORE, IT IS ORDERED that:

1. California RSA No.3 Limited Partnership is authorized to file, as temporary tariffs effective immediately, rate reductions which will not impact an average customer's monthly bill by more than 10% at any one time.
2. Such temporary tariff filings shall become permanent pursuant to the conditions established in Ordering Paragraph No. 8 of Commission Decision 90-06-025, as modified by Decision 90-10-047.
3. This temporary tariff authority is valid for one year from the effective date of this Resolution and may be renewed annually by 40-day effective date advice letters.
4. Temporary tariff filings shall not be used to increase any rate element.

This Resolution is effective today.

I hereby certify that this Resolution was adopted by the Public Utilities Commission at its regular meeting on December 3, 1992. The following Commissioners approved it:



Executive Director
NEAL J. SHULMAN

DANIEL Wm. FESSLER
President
JOHN B. OHANIAN
PATRICIA M. ECKERT
NORMAN D. SHUMWAY
Commissioners